

VZCZCXYZ0012
OO RUEHWEB

DE RUEHAC #0214 0971101
ZNY SSSSS ZZH
O 071101Z APR 09
FM AMEMBASSY ASUNCION
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7743
INFO RUCNMER/MERCOSUR COLLECTIVE PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUCNFB/FBI WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY

S E C R E T ASUNCION 000214

SIPDIS

PM/DTCC KBALLARD, WHA/BSC MDASCHBACH

E.O. 12958: DECL: 04/01/2029

TAGS: [ETTC](#) [KOMC](#) [PA](#)

SUBJECT: ASUNCION RESPONSE - BLUE LANTERN DTC CASE 050139000

REF: A. SECSTATE 11875

[1](#)B. 08 ASUNCION 151

Classified By: A/DCM Joan P. Shaker; reasons 1.4 (b) and (d).

1.(C) Per reftel, Post completed a pre-license check on license 050139000 to establish the end-user bonifides of a transaction to export ammunition to Paraguay. Econoff met in February with retired police officer, owner and General Manager of TSB Sport Hunting-Fishing-Munitions (TSB) Dalmacio [1](#)R. Marengo. Marengo confirmed that the ammunition listed in the license is intended only for commercial resale in Paraguay. He observed that strict controls reduce the risk of illegally re-exporting legally purchased ammunition, but noted that porous borders with Brazil, Argentina and Bolivia remain a concern.

2.(C) Marengo explained that TSB is a national wholesaler of arms and ammunitions, and sells to the private and public sector. TSB private sector clients, according to Marengo, include small-and-medium-sized regional arms and ammunition shops, sporting and hunting organizations, private social clubs, and individuals. The public sector clients include the Paraguayan National Police and Military. Marengo said most of TSB customers reside in or close to Asuncion, with a smaller percentage in the departments of Alto Parana, Chaco and Itapua. With regard to caliber .22 rounds, Marengo stated that buyers wanted it for shooting practice not for hunting, and U.S.-origin caliber is in demand for its quality.

3.(C) Marengo said the large ammunition license with several different calibers covers his estimated two to three years total demand. The diverse and large license is intended, Marengo explained, as an "umbrella" authorization to reduce procurement time by eliminating the need for additional licenses requests throughout the year, while increasing the availability of stock with a broader offering. Marengo stated that TSB can sell about USD 200,000 worth of U.S.-origin ammunition per year, and he is likely to sell that amount per year under the requested license.

4.(C) Marengo also owns Safari Sport S.A., a hunting goods store that sell hunting weapons and accessories. Marengo said he is aware, understands, and applies the regulations governing the import of U.S.-origin ammunition.

5.(C) The Armed Force's Director of War Material (DIMABEL) Colonel Caballero accompanied by Lieutenant Colonel Oscar Gomez, who signed the import authorization order, confirmed to Econoff in April that TSB intends to use the license for commercial resale in Paraguay. Colonel Caballero explained that TSB has in the past supplied DIMABEL with ammunition under open bid contracts. Gomez explained that the large size of the request was justified by TSB as a means to better manage its stock, and reduce procurement time, as the import

process can take up to 9-12 months. Caballero confirmed that caliber .22 is mostly used for shooting practice.

6.(S) In the course of conducting a name check on Marengo, Post discovered that in 2005 Marengo imported weapons and ammunition that were linked to drug trafficking. A 2005 DEA report indicates that Marengo imported weapons and ammunition that were smuggled to Colombia and reportedly provided to the FARC in exchange for cocaine.

17. C) COMMENT Marengo is not a bonafide end-user. Post recommends that the license be rejected. Trafficking in arms is a serious concern for the USG in Paraguay. Weak border controls and corruption compound the problem. There is a high probability that legally imported arms and ammunition are diverted to domestic or transnational crime syndicates (reftel B). END COMMENT.

Please visit us at <http://www.state.sgov.gov/p/wha/asuncion>

AYALDE